

## Message Text

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43

ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 EA-06 FRB-03 INR-07 IO-10 NSAE-00 OPIC-03 SP-02

TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 SS-15 NSC-05

PA-01 PRS-01 USIA-06 /102 W  
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R 181317Z JUN 75

FM AMEMBASSY DUBLIN

TO SECSTATE WASHDC 6881

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY CAIRO

AMEMBASSY JIDDA

AMEMBASSY BEIRUT

KUWAIT 10

USMISSION EC BRUSSELS

USMISSION OECD PARIS

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E.O. 11652; /A

TAGS: EFIN, EEC, EI

SUBJECT: IRELAND SEEKS FOREIGN LOANS

1. IRISH DEPARTMENT

OF FINANCE SOURCE REPORTED JUNE 16 THAT GOI

IS DEFINITELY INTERESTED IN OBTAINING A \$200 MILLION LOAN FROM

THE PROPOSED EC COMMON BORROWING FACILITY. SOURCE STATED THAT

GOVERNMENT REGARDS LOAN AS MEDIUM TO LONG TERM PROSPECT INASMUCH

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AS FUNDS WOULD NOT BE AVAILABLE FOR SOME MONTHS IF INDEED THEY

ACTUALLY MATERIALIZE. HE ADDED THAT ONE OF THE REASONS FOR FINANCE MINISTER RICHIE RYAN'S CURRENT VISIT TO MIDDLE EAST IS TO GENERATE SUPPORT FOR THE PROPOSED COMMON BORROWING FACILITY.

2. THE IRISH GOVERNMENT'S 1975 BUDGET SUBMITTED TO THE DAIL (IRISH PARLIAMENT) IN JANUARY ANTICIPATED A DEFICIT ON THE ORDER OF \$290 MILLION AND FOREIGN BORROWING REQUIREMENTS IN THE NEIGHBORHOOD OF \$350 MILLION. THUS, THERE IS A CLEAR NEED FOR BORROWING BUT THE MAIN QUESTION IS THE SOURCE.

3. EAMON GALLAGHER, DEPUTY SECRETARY FOR FOREIGN AFFAIRS, IN THE COURSE OF A MEETING ON ANOTHER SUBJECT JANUARY 17, POINTED OUT TO US THAT ANY TALK OF A LOAN FROM THE BORROWING FACILITY IS OBVIOUSLY PREMATURE SINCE THERE IS NO INDICATION WHEN THE FACILITY MAY BE SET UP. HE CONFIRMED, HOWEVER, THAT RYAN WILL ENCOURAGE ESTABLISHMENT OF FUND DURING HIS CURRENT MIDDLE EAST TRIP. GALLAGHER NOTED THAT IRISH GOVERNMENT MIGHT TURN TO IMF IF IT WERE NOT FOR LIKELIHOOD THAT IMF WOULD REQUIRE IRELAND TO REDUCE ITS EXTERNAL ASSETS AS CONDITION OF LOAN. THIS POSES GREAT DIFFICULTIES INASMUCH AS MOST OF IRELAND'S FOREIGN ASSETS ARE OWNED BY PRIVATE INDIVIDUALS. GALLAGHER DOUBTS THAT IRELAND AT THIS TIME WOULD QUALIFY FOR LOAN UNDER OECD SAFETY NET. HE ALSO OBSERVED THAT EC MIGHT WISH TO IMPOSE CONDITIONS IF IRELAND WERE TO RECEIVE LOAN ADMINISTERED BY COMMUNITY BUT AT LEAST IRELAND IS MEMBER OF EC AND IS THEREFORE IN A POSITION TO NEGOTIATE EASIER CONDITIONS.

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LOANS  
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**Disposition Date:** 28 MAY 2004  
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